

QUALITY MANAGEMENT AND
PERFORMANCE IMPROVEMENT IN PUBLIC
INSTITUTIONS BY BENCHMARKING
APPLICATION

**ÎMBUNĂTĂȚIREA
MANAGEMENTULUI
CALITĂȚII ȘI
PERFORMANȚEI ÎN
INSTITUȚIILE PUBLICE PRIN
APLICAREA
BENCHMARKING-ULUI**

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Abstract

Within the performed survey, the authors analyze the benchmarking definitive elements, identify the main categories of the approach referring to benchmarking, and underline the positive aspects and the critics in connection with it. All the said aspects are analyzed in order to set forth a basis for benchmarking application within the public institutions, such way to lead to the improvement of quality and performance management. It is evidenced that benchmarking does not refer only to performance' measurement, but, it represents a strategy aiming public institutions reach a certain competitive level

Keywords: public, institutions, benchmarking, quality, performance.

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Rezumat

În cercetarea efectuată, autorii analizează elementele definitorii ale benchmarking-ului, identifică categoriile principale ale abordării referitoare la banchmarking, evidențiază aspectele pozitive și criticile la adresa acestuia, toate aceste aspecte fiind analizate în vederea stabilirii unei baze pentru aplicarea benchmarking-ului în instituțiile publice, astfel încât să conducă la îmbunătățirea managementului calității și performanței. Se arată că, benchmarking-ul nu face referire doar la măsurarea performanței, ci reprezintă o strategie care urmărește ca instituțiile publice să ajungă la un anumit nivel de competitivitate.

Cuvinte cheie: public, instituții, benchmarking, calitate, performnță.

1. INTRODUCTION

Through the performed survey, it is highlighted the importance of benchmarking application within the public institutions in order to improve the quality and performance management. It is asserted that benchmarking is strong and extremely efficient when used in order to fulfill the adequate objectives, in line with the institution's strategy. Benchmarking is an instrument intended to help the institutions develop their strong points and reduce the weak points.

There are exposed different concepts referring to benchmarking and the concept's evolution in time. In the second part of the survey, the authors highlight the fact that benchmarking does not only refer to performance measurement, but it represents a strategy aiming that public institutions reach a certain competitive level.

It is shown that benchmarking within the public sector has long-term effects and that it stimulates the quality and performance management in public institutions.

The authors also present the benchmarking methodology, and in the end of the survey some conclusions drawn from the herein analysis.

2. BENCHMARKING CONCEPT DEFINING

The comparative use of data has been practiced for years within different sectors in economy, including the public institutions field. Notwithstanding (Alstete, 1996, p. 5) in his main sense, benchmarking has been developed at the beginning of 80s by the XEROX Company, as a response at the competition's high level and the dramatic decrease of the market quota. As a matter of fact (Camp, 1994), defined benchmarking as representing "the search of the best practices within a certain field of activity, which could lead to superior performances". By benchmarking, Kempner defined a systematic and permanent process of measuring and comparing the work processes of an organization to another one (Alstete, 1995, p. 5).

Later, the authors (McNair and Watts, 2006, p. 6) consider that benchmarking represents a method to teach an organization how to improve its activity. Other authors (Zairi and Leonard, 1994, p. 23) defined the term of "benchmark": standard or a reference point. By examining the origin of the word "benchmark", Zairi and Leonard consider that the term "benchmarking" became synonymous with the identification means of the "comparison standard", of the "reference frame/ point", of the "pattern".

Conforming to (The Benchmarking Exchange) benchmarking represents the measurement of an organization's internal processes and, subsequently, the identification, understanding and adopting of the remarkable practices of other organizations, considered to be the best –in-class within the category they belong to.

Therewith, the benchmarking concept is defined (Lund, 1998) as “a learning process structured such way to allow to the involved ones compare the services / activities / own products in order to identify the strong points and the relative weak points, for their improvement.”

Meek, Van der Lee (2005, p. 13) considers that the benchmarking exercise implies two compulsory elements:

- the existence of a strong agreement of the institutional leaders (including the financial aspects) of taking into consideration the benchmarking's results and of achieving the imposed improvements;
- the existence of a collaboration and an agreement among all parties involved in benchmarking's achievement.
- In the authors' conception (Garlick and Pryor, 2004, p. 9) benchmarking contains two objectives:
- the valuation of an institution processes and practices from the quality and costs point of view, by comparing to certain external standards (the best practices) in the field the institution functions;
- benchmarking can be used as a management instrument of permanent diagnosis, centered on learning, collaboration and leadership, in order to achieve a continuous improvement of the institution in time.

The authors (Charles and Benneworth, 2002, p. 4) consider that benchmarking presents a series of characteristics that must be underlined:

- benchmarking can sustain the decisional process;
- can cover a variety of actions achieved by a heterogeneous set of public institutions such as those of higher education;
- benchmarking approaches use qualitative and quantitative indicators, process measurements that allow the identification of good practices without waiting for the results' measurements;

- benchmarking allows the combination of different forms of measurement and of the performance patterns.

In *Benchmarking Methods and Experiences* (HEFCE, 2003, p. 4), there are presented the following definitions referring to the benchmarking process:

- "Benchmarking refers to the achievement of comparisons among institutions and to learning the lessons that can come off following the said comparisons." (*European Benchmarking Code of Practice*)
- "Structured internal and external learning process from those that are leaders within a certain field or to whom legitimate comparisons can be made." (*Royal Mail*)
- "Systematic and continuous search and introduction of the best practices that lead to a superior performance by implementing the improvement process." / "The process of continuous comparison and measurement in relation to other institutions in order to obtain information with regard to the philosophies, policies, practices and measurements that help the institution adopt the actions allowing it take measures in order to improve its own performances." (*American Productivity and Quality Centre – APQC*)
- "That practice through which you are humble enough to admit that someone is better than you in a certain field, therewith, being quite wise to try learning become as good or even better." (*APQC*)
- "The process of identification, understanding and adopting the extraordinary practices and processes of other institutions in order to improve the performances of the own institution." (*English Universities Benchmarking Club*).

Within this context, benchmarking does not refer only to the performance measuring, but, it represents a strategy aiming to maintain the institution at a certain competitive level.

In the authors' opinion, benchmarking allows public institutions adopt, regulate and improve the quality and performance management.

3. BENCHMARKING – A PERFORMANCE MEASURE, OR RESULT OF MEASUREMENTS

Peter Drucker (1998) considers that benchmarking starts from the assumption according to which, what a public institution can do, can be done by any other one; if the said thing is done, at least, as well as the leader institution, then, the performance condition is fulfilled. Part of the institutional theory

representatives consider that benchmarking represents a measurement within the valuation process of the performance, defined by the budgetary control function (Smith, 1994). Other representatives highlight benchmarking's virtues as an output obtained following some achieved measurements.

Besides, (Kempner, 1993) presents a set of questions benchmarking should answer:

- How good we are compared to others?
- How good we want to be?
- Who is the best?
- How can we adapt what others are doing to our own institution?
- How could we be better than the best?

The Public Sector Benchmarking Service in Great Britain (HEFCE, 2003, p. 6) has identified 7 main categories that contain approaches regarding (table no. 1).

TABLE NO. 1 APPROACHES REGARDING BENCHMARKING

| Benchmarking categories | Approach presentation |
|--|--|
| 1. Strategic Benchmarking | Is used when the organization tries to improve the performance general level, concentrating on certain strategies or processes. |
| 2. Competitive Benchmarking or for performance | Process through which the organization uses performance measurements in order to compare to similar organizations. Within the high education institutions, universities compare among them in the terms of market quota terms, research performances, or costs. This form of benchmarking can be also applied within the organization by comparing the individual units' performances. |
| 3. Process Benchmarking | The approach concentrates on specific processes and operations. For example, in high education: the management practices, registration at courses, or activities' temporal planning. |
| 4. Functional or generic Benchmarking | Implies the partnership among organizations that come from different sectors and that aim to improve certain activities or specific processes. |
| 5. External Benchmarking | This type of benchmarking allows the comparison among the key functions and processes of some organizations and the ones from the organizations that are deemed to have good practices. |
| 6. Good practice internal Benchmarking | It can be achieved by assigning an organization as referential of good practice and comparing the internal activities or operations to the ones of the reference organization. Thus, is aimed the identification of the best internal activities or operations from the same class. |

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|-------------------------------|---|
| 7. International Benchmarking | The benchmarking process is carried on at international level and not only to the national one. |
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Source: HEFCE, 2003, p. 6

4. BENCHMARKING – STRATEGY FOR QUALITY AND PERFORMANCE IMPROVEMENT IN PUBLIC SECTOR

Benchmarking is a strategy on many levels that aims efficiency increase, the improvement of the provided services quality and the initiation of the necessary changes that lead to performance.

The specialists in the field consider that public institutions must struggle to apply benchmarking in order to improve the quality and performances of the services provided by the public sector to its clients. Public institutions must spread their knowledge about the way this thing should be done and publish the results of the activities achieved for this purpose.

Benchmarking within the public sector has long-term effects and stimulates the quality and performance management within the public institutions.

Thereafter, public sector must be encouraged to use benchmarking as a current policy. Consequently, the existent knowledge and models in Europe must be developed and the improved practices in the management of the said institutions adopted.

Concurrently, the specialists recommend the development of the excellence system for rewarding the quality of public services and the appraisal of a basis for benchmarking application in public institutions.

The authors present a few positive aspects and critics addressed to benchmarking within the public institutions, defined by its sustainers and opposer that are highlighted in (table no. 2).

TABLE NO. 2 POSITIVE ASPECTS AND CRITICS ADDRESSED TO THE BENCHMARKING IN PUBLIC INSTITUTIONS

| Positive aspects defined by benchmarking sustainers | Critics defined by benchmarking opposer |
|--|--|
| <ul style="list-style-type: none"> • Allows the creation of new communication systems among public institutions; • Establishes, at the institution level the direction the improvements leading to performance must be achieved; • Allows the defining of the quality assurance strategies. | <ul style="list-style-type: none"> • It is applied only to the administrative processes; • It is an euphemism of copying; • Does not lead to performance achievement; • Highlights the institutional weaknesses. |

Source: processing after Alstete, 1995, p. 7

Benchmarking methodology

Benchmarking is a multi-level strategy that aims efficiency increase, the improvement of the provided services and the initiation of the necessary changes for this purpose. Benchmarking in European public institutions is applicable to the policies' objectives and must be understood as an instrument helping these ones' elaboration. The methodology consists in following many elements and procedural steps. Benchmarking must be based on research and must use quantitative and qualitative indicators when analyzing the best practices. The benchmarks indicate both the performance level, and the target to be reached. As a matter of fact, the best practice demonstrates how the said target can be reached. The knowledge of the best practice may be a good occasion and a stimulus for the ones drawing up the policies for the improvement of public institutions' policies and even for exceeding the aimed targets.

As a systematic comparison process "to the best in the world", benchmarking implies the getting over of some stages from the moment of the objective defining until the implementation stage. Within the benchmarking process there are identified four elements such as:

1. total commitment for activities' improvement:
 - identification of the target problems and of the decisional factors in the field;
2. supporting structures:
 - performance "key" indicators;
 - analysis of the best practice in the world;
 - comparison of the own practice to the best practice in the world;
3. improvement mechanisms:
 - identification of the improvement potential;
 - changes' implementation;
4. monitoring mechanisms:
 - report regarding the achieved progresses.

The above mentioned 4 steps are the basis for benchmarking universal methodology. Benchmarking has developed in order to improve the performances and competitive imposed by the competition globalization. Within this context, the methodology is especially applicable and accessible at public institution level where the improvement possibilities can be easily identified and implemented.

If we refer only to the general frame of the required conditions, then, we can assert that there is no methodology with universal applicability.

The process of quality, efficiency and performance measurement within public services may be sometimes quite difficult.

The simply copying of a factor or policy may not lead to obtaining the intended performance. What is really important when applying benchmarking is to identify the steps that must be followed for each factor. Benchmarking claims a consistent set of definitions for the components of the many factors that are involved within the process and an accurate understanding of the purpose and of the supporting policies.

Accordingly, a benchmarking frame-project must be oriented to the inputs and outputs of certain processes in order to stimulate their development. But, this must also aim the efficiency of the policies in the field. Thus, the interaction of a great number of indicators make the benchmarking task become more complex, as the performance of an indicator may be influenced by another variable, or frame-condition that must be identified, defined and measured. The use of benchmarking must be oriented to the identification of the effects that are specific to the operation frame of the selected process that can serve for information providing in order to sustain the ones elaborating the process' improvement policies.

The philosophy and concrete steps of benchmarking activity are almost similar in different fields of activity they are applied to. Actually, public institutions may rapidly apply the measures intended to increase quality and performance, as result of benchmarking application. Furthermore, new methods for activity organizing are taken into consideration in case of public institutions, thus answering the need to initiate the improvements required by the public sector as result of benchmarking application.

The actual structural inflexibility in the governing act, services and public institutions will slow down the improvement of the frame-conditions in the key fields that are set forth through benchmarking. Therewith, there is a lack of political power at the European level, and sometimes at the member states' level for the immediate implementation of the changes oriented to the quality and performance management improvement.

This "indirect implementation" is of great importance at European level, and, especially at the member states' level. Awareness regarding the gaps regarding quality and performance and cost in the economic and social terms of these ones will draw the attention to the ones elaborating the policies regarding the importance of strategies' implementation and of the structural changes.

At the European level, the improvement of the quality and performance management, the benchmarking over the frame-conditions for public institutions is mainly a problem of informing and communication with the levels where changes are implemented in order to increase quality and performance. The purpose of all activities is to reach an agreement over the severe problems, to organize the actions' preparation work, to exchange information and to present the cases that lead to quality and performance improvement. Those elaborating the policies should promote quality and performance increase in public institutions, within the policies field, both at international, and European level.

5. CONCLUSIONS

The conditions public institutions develop constitute in essential elements of performance. Thereafter, the said conditions should be individually revised and adapted. Benchmarking can help public institutions identify and follow, on worldwide plan, where the most efficient conditions are, conditions that determine the achievement of high performances at public institutions' level. Consequently, benchmarking is a strategy aiming the performance improvement, a greater efficiency, a superior quality of services, all being obtained only by accepting the changes. Benchmarking takes into consideration the increase of competitive among public institutions and the efficient use of the allotted resources, the improvement of quality management and obtaining high performances. Benchmarking must be understood as an instrument to sustain the ones making the policies for the development of certain activities.

Benchmarking must be based on performance quantification through indicators and qualitative analyzes. Benchmarking indicates the performance level as a target that must be reached. By applying this, it is demonstrated how this performance could be achieved. Its presentation and implementation will inspire the interested ones, and may serve them as a model in order to learn how to improve quality and performance management in public institutions, and even to go beyond the model.

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